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(Securities Code: 6269)

Commencement of Electronic Provision: February 29, 2024

Date of Release: March 8, 2024

To Our Shareholders with Voting Rights:

Takeshi Kanamori
President and Chief Executive Officer
MODEC, INC.
3-10, Nihonbashi 2-chome Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 38TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Please be advised that the 38th Annual General Meeting of Shareholders of MODEC, INC. (the “Company”) is to be held as described below.

The Company has taken measures for electronic provision of materials for the General Meeting of Shareholders and posted matters to be provided electronically (the “Matters”) on its website on the Internet pursuant to the provision of Article 325-3 of the Companies Act. Please access the following URL to review the information.

The Company’s website: <https://www.modec.com/ir/stock/agm.html>

The Matters are posted on the Company’s website and also on the Tokyo Stock Exchange’s (TSE’s) website. Please access the URL and follow the steps below to review the information.

The Tokyo Stock Exchange’s website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please visit the TSE website from the address above, enter “MODEC” in the “Issue name (company name)” field, or our securities code “6269” in the “Code” field, and click on “Search” to see the search results. Then select “Basic information” and “Documents for public inspection/PR information” in this order to view the information on the [Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting] in the “Field information available for public inspection” section.

If you are unable to attend the meeting, you may exercise your voting rights via the Internet, etc. or in writing. The details of each proposal are as shown on the Reference Documents for the General Meeting of Shareholders attached to the Notice of Convocation of the 38th Annual General Meeting of Shareholders on the Company’s website. Please review the documents and exercise your voting rights by 5:40 p.m. on Tuesday, March 26, 2024 by referring to the “Guide to Exercising Voting Rights Prior to the Meeting” (available in Japanese only) provided later in this Notice of Convocation.

- 1. Date and Time:** Wednesday, March 27, 2024, at 10:00 a.m.
(The reception desk opens at 9:00 a.m.)
- 2. Place:** Congres Square Nihonbashi 2F Convention Hall A/B
Tokyo Tatemono Nihonbashi Building, 3-13, Nihonbashi 1-chome Chuo-ku,
Tokyo
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. Operations Report, Consolidated Financial Statements, and Audit Report concerning Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 38th Term (from January 1, 2023 to December 31, 2023)
 2. Non-consolidated Financial Statements for the 38th Term (from January 1, 2023 to December 31, 2023)

Matters to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Nine Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Four Directors who are Audit and Supervisory Committee Members
- Proposal 5:** Revision of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 6:** Determination of the Maximum Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

4. Other Matters Concerning Procedures of Convocation of the Annual General Meeting of Shareholders

Among the items to be included in the documents stating the matters to be provided electronically (the “Documents”), the items listed below are posted on the Company’s website on the Internet (<https://www.modec.com/ir/stock/agm.html>) pursuant to the provisions of applicable laws and regulations as well as Article 15 of the Company’s Articles of Incorporation, and are not included in the documents to be delivered to those shareholders who have requested printed documents. Accordingly, the items included in the Documents are part of the Operations Report, Consolidated Financial Statements, and Non-consolidated Financial Statements which the Audit & Supervisory Board Members audited in preparing the Audit Report, and part of the Consolidated Financial Statements and the Non-consolidated Financial Statements which the Accounting Auditor audited in preparing the Accounting Audit Report.

- (1) Systems necessary to ensure the appropriateness of business activities and operational status of the systems
- (2) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
- (3) Non-Consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements

In case of circumstances requiring revisions to the matters to be provided electronically, the original and revised versions of the matters will be posted to that effect on the websites of the Company and the Tokyo Stock Exchange on the Internet.

The Company has adopted the International Financial Reporting Standards (IFRS). The presentation currency is the US dollar.

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- 1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - 2. In case of voting by proxy, you can exercise your voting rights by appointing one shareholder who has voting rights as your proxy.
 - * Please note that no commemorative gift will be provided to shareholders attending the meeting. We would appreciate your kind understanding.

- Any fees including access fees to internet service providers and communications carriers for use of the website for exercising voting rights shall be borne by shareholders.
- If any voting right is exercised both in writing and via the Internet, the vote that reached the Company at a later timing will be recognized as valid. In the event that both votes arrive on the same day, the vote via the Internet will be recognized as valid. In another case when a voting right is exercised multiple times via the Internet, the last vote entered will be recognized as valid.
- A password is important information by which a voting person is confirmed as a shareholder. Please treat your password with care as you would your seal or PIN code.
- Please note that if an incorrect password is entered more than a specified number of times, you will be unable to use it. In case you want your password reissued, please follow instructions on the screen.
- The vote exercising code written on the Voting Rights Exercise Form is effective only for this General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The distribution of stable and consecutive dividends to shareholders while retaining an appropriate amount of internal reserve required for future business development and reinforcement of management base is the Company's basic policy on distribution of profits.

Based on this policy, as well as in light of the Company's performance for this fiscal year, future business development and reinforcement of management base, an ordinary dividend for this fiscal year is proposed to be ¥20 per share.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
¥20 per share of common stock of the Company
Total amount of dividends: ¥1, 366,886,200
- (3) Effective date of dividends from surplus
March 28, 2024

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments.

The Company intends to transition to a company with an audit and supervisory committee with the aim of enhancing its corporate governance framework. For this purpose, it will make necessary changes to the Articles of Incorporation, which include establishment of the necessary provisions concerning Audit and Supervisory Committee Members and the Audit and Supervisory Committee, deletion of the provisions concerning Corporate Auditors and the Audit & Supervisory Board, changes to the number of Directors, and establishment of new provisions concerning delegation of decisions on the execution of important business matters, as well as reorganization of wording including deletion of articles.

The resolution of this proposal will take effect at the conclusion of this General Meeting of Shareholders.

2. Details of the amendments

The details of the amendments are as follows

(Parts to amend are underlined.)

Current Articles of Incorporation	Proposed changes
<p style="text-align: center;">Chapter 1 General Provisions</p> <p>Articles 1 to 3 (Omitted)</p> <p>Article 4: Governing Bodies</p> <p>The Company shall have the following governing bodies in addition to the general meeting of shareholders and directors:</p> <p>(1) Board of Directors</p> <p><u>(2) Statutory auditors</u></p> <p><u>(3) Board of Statutory Auditors</u></p> <p>(4) Accounting auditor</p> <p>Articles 5 to 19 (Omitted)</p>	<p style="text-align: center;">Chapter 1 General Provisions</p> <p>Articles 1 to 3 (Same as at present)</p> <p>Article 4: Governing Bodies</p> <p>The Company shall have the following governing bodies in addition to the general meeting of shareholders and directors:</p> <p>(1) Board of Directors (Deleted)</p> <p><u>(2) Audit and Supervisory Committee</u></p> <p><u>(3) Accounting auditor</u></p> <p>Articles 5 to 19 (Same as at present)</p>
<p style="text-align: center;">Chapter 4 Directors and the Board of Directors</p> <p>Article 20: Method of Election</p> <p>1. Directors shall be elected <u>at</u> the general meeting of shareholders.</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p> <p>Article 21: Term of Office</p> <p>The term of office of directors shall expire at the close of the ordinary general meeting of shareholders relating to the final business year that ends within one (1) year after their election.</p> <p style="text-align: right;">(Newly established)</p> <p style="text-align: right;">(Newly established)</p> <p style="text-align: right;">(Newly established)</p>	<p style="text-align: center;">Chapter 4 Directors and the Board of Directors</p> <p>Article 20: Method of Election</p> <p>1. Directors shall be elected <u>by resolution of</u> the general meeting of shareholders, <u>distinguishing between directors who are members of the Audit and Supervisory Committee and directors who are not.</u></p> <p>2. (Same as at present)</p> <p>3. (Same as at present)</p> <p>Article 21: Term of Office</p> <p>1. The term of office of directors (<u>excluding directors who are members of the Audit and Supervisory Committee</u>) shall expire at the close of the ordinary general meeting of shareholders relating to the final business year that ends within one (1) year after their election.</p> <p><u>2. The term of office of directors who are members of the Audit and Supervisory Committee shall expire at the close of the ordinary general meeting of shareholders relating to the final business year that ends within two (2) years after their election.</u></p> <p><u>3. The term of office of a director who is a member of the Audit and Supervisory Committee elected to fill a vacancy for a director who is a member of the Audit and Supervisory Committee retiring before the expiration of his/her term of office shall expire at the end of the term of office of the said retiring director.</u></p> <p><u>4. The effective period of a resolution to elect a director who is a substitute member of the Audit and</u></p>

Current Articles of Incorporation	Proposed changes
<p>Article 22: Representative Directors and Directors in Executive Positions</p> <ol style="list-style-type: none"> The Board of Directors shall appoint representative directors <u>by</u> its resolution. The Board of Directors shall appoint one president <u>by</u> its resolution. The Board of Directors may, <u>by</u> its resolution, appoint one chairperson, and several vice-presidents, senior managing directors and managing directors. <p>Article 23 (Omitted)</p> <p>Article 24: Notice to Convene a Meeting of the Board of Directors</p> <ol style="list-style-type: none"> A notice to convene a meeting of the Board of Directors shall be dispatched to each director <u>and each statutory auditor</u> not later than three (3) days prior to the date of the meeting; provided, however, that the above period may be shortened in urgent cases. A meeting of the Board of Directors may be held without the convocation procedures if unanimous consent is obtained from the directors <u>and statutory auditors</u>. <p>Article 25 (Omitted)</p> <p style="text-align: center;">(Newly established)</p> <p><u>Article 26: Minutes of the Board of Directors</u> <u>The substance of proceedings and results at the Board of Directors and other matters provided for in laws and regulations shall be entered in the minutes. Attending directors and statutory auditors shall affix their respective names and seals to the minutes.</u></p> <p>Article 27 (Omitted)</p> <p><u>Article 28: Remunerations</u> <u>Any remuneration, bonuses and other property benefits to be received from the Company as consideration for the execution of duties (hereinafter referred to as "Remunerations") of directors shall be determined by resolution of the general meeting of shareholders.</u></p> <p>Article 29: (Omitted)</p> <p>Chapter 5 <u>Statutory Auditors and the Board of Statutory Auditors</u></p> <p>Article 30: Number of Statutory Auditors</p>	<p><u>Supervisory Committee shall expire at the commencement of the ordinary general meeting of shareholders relating to the final business year that ends within two (2) years after his/her election.</u></p> <p>Article 22: Representative Directors and Directors in Executive Positions</p> <ol style="list-style-type: none"> The Board of Directors shall, by its resolution, appoint representative directors <u>from among the directors (excluding directors who are members of the Audit and Supervisory Committee).</u> The Board of Directors shall, by its resolution, appoint one president <u>from among the directors (excluding directors who are members of the Audit and Supervisory Committee).</u> The Board of Directors may, by its resolution, appoint one chairperson, and several vice-presidents, senior managing directors and managing directors <u>from among the directors (excluding directors who are members of the Audit and Supervisory Committee).</u> <p>Article 23: (Same as at present)</p> <p>Article 24: Notice to Convene a Meeting of the Board of Directors</p> <ol style="list-style-type: none"> A notice to convene a meeting of the Board of Directors shall be dispatched to each director not later than three (3) days prior to the date of the meeting; provided, however, that the above period may be shortened in urgent cases. A meeting of the Board of Directors may be held without the convocation procedures if unanimous consent is obtained from the directors. <p>Article 25 (Same as at present)</p> <p><u>Article 26: Delegation of Decisions on the Execution of Important Business Matters</u> <u>Pursuant to Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate to a director all or part of the decisions on the execution of important business matters (excluding those matters listed in Paragraph 5 of the same Article).</u></p> <p style="text-align: center;">(Deleted)</p> <p>Article 27 (Same as at present)</p> <p style="text-align: center;">(Deleted)</p> <p>Article 28: (Same as at present)</p> <p>Chapter 5 <u>Audit and Supervisory Committee</u></p>

Current Articles of Incorporation	Proposed changes
<p>The Company shall have four (4) or fewer statutory auditors.</p>	<p>(Deleted)</p>
<p><u>Article 31: Method of Election</u></p>	
<p>1. <u>Statutory auditors shall be elected at the general meeting of shareholders.</u></p>	<p>(Deleted)</p>
<p>2. <u>Resolutions for the election of statutory auditors shall be adopted by a majority of the voting rights represented by the attending shareholders who hold at least one third (1/3) of the voting rights of the shareholders entitled to exercise voting rights.</u></p>	
<p>3. <u>Pursuant to the provisions of Article 329, Paragraph 3 of the Companies Act, the Company may elect Substitute Corporate Auditors at a General Meeting of Shareholders to prepare for a contingency in which the number of Corporate Auditors falls short of such number stipulated by laws and regulations.</u></p>	
<p>4. <u>The effective term of the resolution for election of a Substitute Corporate Auditor under the preceding paragraph shall expire at the beginning of the Annual General Meeting of Shareholders relating to the last fiscal year ending within four (4) years from such resolution.</u></p>	
<p><u>Article 32: Term of Office</u></p>	
<p>1. <u>The term of office of statutory auditors shall expire at the close of the ordinary general meeting of shareholders relating to the final business year that ends within four (4) years after their election.</u></p>	<p>(Deleted)</p>
<p>2. <u>The term of office of statutory auditors elected to fill vacancies of office of statutory auditors who resigned during their term of office shall expire at the expiration of the term of office of their respective predecessors.</u></p>	
<p><u>However, in case that a Substitute Corporate Auditor elected under Paragraph 3 of the preceding Article assumes the office of Corporate Auditor, his/her term of office shall not exceed the conclusion of an Annual General Meeting of Shareholders relating to the last fiscal year ending within four (4) years from such election as a Substitute Corporate Auditor.</u></p>	
<p><u>Article 33: Full-Time Statutory Auditors</u></p>	<p><u>Article 29: Full-time Audit and Supervisory Committee Members</u></p>
<p><u>The Board of Statutory Auditors shall, by its resolution, elect full-time statutory auditors.</u></p>	<p><u>The Audit and Supervisory Committee may, by its resolution, elect full-time Audit and Supervisory Committee members.</u></p>
<p><u>Article 34: Notice to Convene a Meeting of the Board of Statutory Auditors</u></p>	<p><u>Article 30: Notice to Convene a Meeting of the Audit and Supervisory Committee</u></p>
<p>1. A notice to convene a meeting of <u>the Board of Statutory Auditors</u> shall be dispatched to each <u>statutory auditor</u> not later than three (3) days prior to the date of the meeting; provided, however, that the above period may be shortened in urgent cases.</p>	<p>1. A notice to convene a meeting of <u>the Audit and Supervisory Committee</u> shall be dispatched to each <u>member of the Audit and Supervisory Committee</u> not later than three (3) days prior to the date of the meeting; provided, however, that the above period may be shortened in urgent cases.</p>
<p>2. A meeting of <u>the Board of Statutory Auditors</u> may be held without the convocation procedures if unanimous consent is obtained from the <u>statutory auditors</u>.</p>	<p>2. A meeting of <u>the Audit and Supervisory Committee</u> may be held without the convocation procedures if unanimous consent is obtained from the <u>members of the Audit and Supervisory Committee</u>.</p>

Current Articles of Incorporation	Proposed changes
<p>Article 35: <u>Method of Adopting Resolutions of the Board of Statutory Auditors</u> Resolutions of the <u>Board of Statutory Auditors</u> shall be adopted by a majority of the <u>statutory auditors</u> unless otherwise stipulated in laws or regulations.</p> <p>Article 36: <u>Minutes of the Board of Statutory Auditors</u> <u>The substance of proceedings and results at the Board of Statutory Auditors and other matters provided for in laws and regulations shall be entered in the minutes. Attending statutory auditors shall affix their respective names and seals to the minutes.</u></p> <p>Article 37: <u>Regulations on the Board of Statutory Auditors</u> Matters relating to <u>the Board of Statutory Auditors</u> shall be governed in accordance with applicable laws, regulations and these Articles of Incorporation as well as the Regulations on the <u>Board of Statutory Auditors</u> established by <u>the Board of Statutory Auditors</u>.</p> <p>Article 38: <u>Remunerations</u> <u>The Remunerations for statutory auditors shall be determined by resolution of the general meeting of shareholders.</u></p> <p>Article 39: <u>Exemption of Statutory Auditors from Liability</u></p> <ol style="list-style-type: none"> 1. <u>Pursuant to the provisions in Paragraph 1, Article 426 of the Corporation Law, the Company may, by resolution of the Board of Directors, exempt any statutory auditor (including a former statutory auditor) from liability for damages arising from a failure to perform duties to the extent provided in laws or regulations.</u> 2. <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a contract with each of the Corporate Auditors to the effect that any liability for damages of such a Corporate Auditor arising from negligence in the performance of his/her duties shall be limited to the amount set by laws and regulations.</u> 	<p>Article 31: <u>Method of Adopting Resolutions of the Audit and Supervisory Committee</u> Resolutions of the <u>Audit and Supervisory Committee</u> shall be adopted <u>with the presence of a majority of the Audit and Supervisory Committee members entitled to participate in voting and by the affirmative vote of a majority of the Audit and Supervisory Committee members present,</u> unless otherwise stipulated in laws or regulations.</p> <p style="text-align: center;">(Deleted)</p> <p>Article 32: <u>Regulations on the Audit and Supervisory Committee</u> Matters relating to the <u>Audit and Supervisory Committee</u> shall be governed in accordance with applicable laws, regulations and these Articles of Incorporation as well as the Regulations on the <u>Audit and Supervisory Committee</u> established by the <u>Audit and Supervisory Committee</u>.</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p>
<p style="text-align: center;">Chapter 6 Accounts Articles 40 to 43: (Omitted)</p>	<p style="text-align: center;">Chapter 6 Accounts Articles 33 to 36 (Same as at present)</p>
<p style="text-align: center;">(Newly established)</p>	<p><u>Supplementary Provisions</u> <u>Article 1: Transitional Measures Regarding Exemption from Liability of Statutory Auditors</u></p> <ol style="list-style-type: none"> 1. <u>The Company may, by resolution of the Board of Directors, exempt statutory auditors (including former statutory auditors) from liability for damages as provided in Article 423, Paragraph 1 of the Companies Act in relation to acts committed prior to the close of the 38th Ordinary General Meeting of Shareholders to the extent permitted by law.</u> 2. <u>With respect to any agreement concluded to limit liability for damages under Article 423, Paragraph 1</u>

Current Articles of Incorporation	Proposed changes
	<u>of the Companies Act in relation to the acts of statutory auditors (including former statutory auditors) committed prior to the close of the 38th Ordinary General Meeting of Shareholders, the provisions of Article 39, Paragraph 2 of the Articles of Incorporation prior to amendment by resolution of the said Ordinary General Meeting of Shareholders shall apply.</u>

Proposal 3: Election of Nine Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The Company will transition to a company with an audit and supervisory committee, subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.”

The terms of office of all the incumbent eleven Directors will expire at the conclusion of this General Meeting of Shareholders pursuant to the provision of Article 21 of the Articles of Incorporation and upon the Company’s transition to a company with an audit and supervisory committee.

Accordingly, the election of nine Directors (excluding Directors who are Audit and Supervisory Committee Members, the same shall apply hereinafter in this proposal) is proposed. The resolution of this proposal shall become effective on the condition that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates are as stated below.

No.	Name		Current positions at the Company	Years of service as Director	Attendance of the Board of Directors meetings in FY2023
1	Takeshi Kanamori	Reappointment	Representative Director, President and Chief Executive Officer	6 years	19 / 19 (100%)
2	Hirohiko Miyata	Reappointment	Director, Executive Vice President	9 months	8 / 8 (100%)
3	Yasuhiro Takano	Reappointment	Director, Senior Executive Managing Officer, CFO	2 years	19 / 19 (100%)
4	Koichi Watanabe	Reappointment External Director	Director	1 year	14 / 15 (93%)
5	Koichi Wakana	Reappointment External Director	Director	2 years	18 / 19 (94%)
6	Yasuchika Noma	Reappointment External Director	Director	9 months	8 / 8 (100%)
7	Kazuko Shiraishi	Reappointment External Director Independent Director	External Director, Chairperson of Nominating and Remuneration Committee	5 years	17 / 19 (89%)
8	Kazuhiisa Nishigai	Reappointment External Director Independent Director	External Director, Nominating and Remuneration Committee Member	4 years	19 / 19 (100%)
9	Masato Kobayashi	Reappointment External Director Independent Director	External Director, Nominating and Remuneration Committee Member	3 years	19 / 19 (100%)

* The current positions at the Company are as of the date of dispatch of this Notice of Convocation of the Annual General Meeting of Shareholders.

* Chairperson of the Nominating and Remuneration Committee shall be elected from among independent external directors by mutual vote of the members.

* Years of service as Director are as the conclusion of this General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
1	<p>Takeshi Kanamori (September 7, 1956)</p> <p><u>Reappointment</u></p>	<p>April 1980 Joined Mitsui & Co., Ltd.</p> <p>October 2005 General Manager of First Plant Projects Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd.</p> <p>August 2007 General Manager of Second Projects Development Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd.</p> <p>October 2009 Operating Officer of Infrastructure Projects Business Unit, Mitsui & Co., Ltd.</p> <p>March 2010 Chairman & Managing Director, Mitsui & Co. (Shanghai) Ltd.</p> <p>April 2011 Managing Officer, Mitsui & Co., Ltd.</p> <p> Deputy Chief Representative, Mitsui & Co., Ltd. in China and Chairman & Managing Director, Mitsui & Co. (Shanghai) Ltd.</p> <p>April 2012 Executive Officer, Chief Operating Officer of Infrastructure Projects Business Unit, Mitsui & Co., Ltd.</p> <p>March 2013 External Director of the Company</p> <p>April 2013 Executive Managing Officer, Chief Operating Officer of Infrastructure Projects Business Unit, Mitsui & Co., Ltd.</p> <p>April 2016 Senior Executive Managing Officer, Mitsui & Co., Ltd. Chief Representative, Mitsui & Co., Ltd. in China and Chairman & Managing Director, Mitsui & Co., Ltd. in China</p> <p>March 2018 Director, Executive Vice President, Assistant to President of the Company</p> <p>July 2018 CCO (Chief Compliance Officer), in charge of Legal Department and Compliance Group of the Company</p> <p>March 2019 CCO (Chief Compliance Officer), in charge of Compliance Group of the Company</p> <p>April 2020 CCO (Chief Compliance Officer), in charge of Legal Department and Compliance Group of the Company</p> <p>April 2021 Representative Director, President and Chief Executive Officer of the Company (current position)</p> <p>Reasons for selection as a Director candidate Mr. Takeshi Kanamori has been successively selected as a candidate for Director, as he has acquired abundant experience as a member of the management of a major general trading company and supervised the overall business execution of the Company, which are expected to be leveraged in decision-making and the supervision of business execution by the Board of Directors.</p>	17,800

No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
2	Hirohiko Miyata (November 17, 1962) <u>Reappointment</u>	April 1987 Joined Mitsui & Co., Ltd. April 2012 General Manager of Electric Power Business Development Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd. October 2015 General Manager of Infrastructure Business Development Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd. January 2016 SVP & CAO, Mitsui & Co. (U.S.A.), Inc. (in New York) April 2017 Executive Officer, General Manager of Business Management Division, Mitsui & Co., Ltd. April 2020 Executive Managing Officer, Mitsui & Co., Ltd. Chief Operating Officer of Europe, Middle East, and Africa Unit, Mitsui & Co., Ltd. and President, Mitsui & Co. Europe PLC (in London) April 2021 Executive Managing Officer, Mitsui & Co., Ltd. Chief Representative of Europe, and President, Mitsui & Co. Europe PLC (in London) April 2022 Senior Executive Managing Officer, Mitsui & Co., Ltd. Chief Representative of Europe, CSO of Europe Block, CSO of Middle East and Africa Block, and President & CSO, Mitsui & Co. Europe PLC (in London) August 2022 Senior Executive Managing Officer, Mitsui & Co., Ltd. Chief Representative of Europe, and President, Mitsui & Co. Europe PLC (in London) April 2023 Advisor, Mitsui & Co., Ltd. June 2023 Executive Vice President, Assistant to President of the Company June 2023 Director, Executive Vice President, Assistant to President of the Company (current position)	600
		Reasons for selection as a Director candidate Mr. Hirohiko Miyata has been successively selected as a candidate for Director, as he has acquired abundant international experience and experience as a member of the management at a major general trading company and supervised the overall business execution of the Company, which are expected to be leveraged in decision-making and the supervision of business execution by the Board of Directors.	

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
3	Yasuhiro Takano (December 25, 1957) <u>Reappointment</u>	<p>April 1980 Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2004 Seconded to the Company</p> <p>March 2005 General Manager of Operations Department and General Manager of Corporate Planning & Strategies of the Company</p> <p>July 2006 Transferred to the Company</p> <p>December 2007 General Manager of Accounting Department and General Manager of Corporate Planning & Strategies of the Company</p> <p>May 2010 General Manager of Corporate Planning & Strategies Department of the Company</p> <p>April 2012 Deputy Director, General Manager of Corporate Planning & Strategies Department of the Company</p> <p>April 2013 Executive Officer, General Manager of Corporate Planning & Strategies Department of the Company</p> <p>April 2016 Executive Managing Officer, CFO of the Company</p> <p>April 2021 Executive Managing Officer, CFO, in charge of Human Resources Department, General Manager of Human Resources Department of the Company</p> <p>March 2022 Director, Executive Managing Officer, CFO, in charge of Accounting Department, Finance Department, and Budget and Planning Group of the Company</p> <p>April 2023 Director, Senior Executive Managing Officer, CFO, in charge of Accounting Department, Finance Department, and Budget and Planning Group of the Company (current position)</p>	5,300
<p>Reasons for selection as a Director candidate</p> <p>Mr. Yasuhiro Takano has been successively selected as a candidate for Director, as he has acquired outstanding expertise cultivated through his work experience in the accounting and finance divisions of a financial institution and the Company and has been in charge of the accounting and finance divisions of the Company.</p>			
4	Koichi Watanabe (July 14, 1968) <u>Reappointment</u> <u>External Director</u>	<p>April 1992 Joined Mitsui Engineering & Shipbuilding Co., Ltd. (currently MITSUI E&S Co., Ltd.)</p> <p>July 2009 Seconded to MITSUI ZOSEN EUROPE LIMITED</p> <p>October 2012 Manager of Finance & Accounting Dept., Mitsui Engineering & Shipbuilding Co., Ltd.</p> <p>June 2017 General Manager of Accounting Dept., Tamano Works, Mitsui Engineering & Shipbuilding Co., Ltd.</p> <p>April 2018 General Manager of Tamano General Office, Human Resources & General Affairs Dept., Mitsui E&S Holdings Co., Ltd. General Manager of Tamano Office, Finance & Accounting Services Dept., Mitsui E&S Business Service Co., Ltd.</p> <p>December 2018 Manager of Finance & Accounting Dept., Mitsui E&S Holdings Co., Ltd.</p> <p>June 2019 Director (Part-time), Mitsui E&S Machinery Co., Ltd.</p> <p>April 2021 General Manager of Finance & Accounting Dept., Mitsui E&S Holdings Co., Ltd. Director, Mitsui E&S Business Service Co., Ltd.</p> <p>March 2023 External Director of the Company (current position)</p> <p>April 2023 Executive Officer, General Manager of Finance Dept., MITSUI E&S Co., Ltd. (current position)</p>	0
<p>Significant concurrent positions</p> <p>Executive Officer, MITSUI E&S Co., Ltd.</p>			
<p>Reasons for selection as an External Director candidate and expected roles</p> <p>Mr. Koichi Watanabe has been successively selected as a candidate for External Director, as he is judged to be capable of advising the overall management of the Company, based on his abundant knowledge, experience and managerial capability primarily in the finance and accounting fields, cultivated through his service in MITSUI E&S Co., Ltd., as well as his extensive work experience in the field of international business.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
5	Koichi Wakana (October 8, 1967) <u>Reappointment</u> <u>External Director</u>	<p>April 1990 Joined Mitsui & Co., Ltd.</p> <p>April 2008 General Manager of Second Sales Office, First Projects Development Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd.</p> <p>April 2010 General Manager of First Sales Office, Environment and New Energy Business Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd.</p> <p>April 2013 Deputy Manager of Environment and New Energy Business Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd.</p> <p>April 2015 General Manager of Third Projects Development Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd.</p> <p>April 2019 General Manager, Caitan SpA</p> <p>December 2021 Operating Officer of Infrastructure Projects Business Unit, Mitsui & Co., Ltd.</p> <p>March 2022 External Director of the Company (current position)</p> <p>April 2022 Managing Officer; Chief Operating Officer of Infrastructure Projects Business Unit, Mitsui & Co., Ltd. (current position) Director, Mitsui & Co. Plant Systems, Ltd. (current position)</p> <p>Significant concurrent positions Managing Officer, Mitsui & Co., Ltd. Director, Mitsui & Co. Plant Systems, Ltd.</p> <p>Reasons for selection as an External Director candidate and expected roles Mr. Koichi Wakana has been successively selected as a candidate for External Director, as he is judged to be capable of advising the overall management of the Company, based on his wide range of business experience at a major general trading company as well as practical knowledge related to the Company's business.</p>	0

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
6	Yasuchika Noma (June 27, 1968) <u>Reappointment</u> <u>External Director</u>	April 1991 Joined Mitsui O.S.K. Lines, Ltd.	0
		June 2012 Group Leader of Growth Strategy, Corporate Planning Division and Group Manager of Offshore Projects, LNG Carrier Division, Mitsui O.S.K. Lines, Ltd.	
		June 2013 General Manager of Offshore Project Office, LNG Carrier Division, Mitsui O.S.K. Lines, Ltd.	
		June 2014 Group Leader of Offshore Unit 1, LNG Project Division, Mitsui O.S.K. Lines, Ltd.	
		April 2017 Group Leader of Offshore Unit 1, Offshore Project Division, Mitsui O.S.K. Lines, Ltd.	
		August 2017 Deputy General Manager of Offshore Project Division, Mitsui O.S.K. Lines, Ltd.	
		October 2017 Deputy General Manager of Offshore Project Division and Group Leader of Offshore Power Generation, Offshore Project Division, Mitsui O.S.K. Lines, Ltd.	
		April 2018 Associate General Manager of Offshore Project Division and Group Leader of Offshore Power Generation, Offshore Project Division, Mitsui O.S.K. Lines, Ltd.	
		July 2018 Associate General Manager of Offshore Project Division, Mitsui O.S.K. Lines, Ltd.	
		April 2020 General Manager of Offshore Project Division, Mitsui O.S.K. Lines, Ltd.	
April 2022 Executive Officer, Mitsui O.S.K. Lines, Ltd. (current position)			
April 2023 Deputy Director General, Headquarters of Energy Business, Responsible for Offshore Technical Division, Integrated Tanker & Offshore Projects – Offshore Unit, Mitsui O.S.K. Lines, Ltd. (current position)			
June 2023 External Director of the Company (current position)			
Significant concurrent positions Executive Officer, Mitsui O.S.K. Lines, Ltd.			
Reasons for selection as an External Director candidate and expected roles. Mr. Yasuchika Noma has been successively selected as a candidate for Director, as he is judged to be capable of advising the overall management of the Company, based on his abundant knowledge, experience and managerial capability primarily in the offshore business field, cultivated through his service at a major shipping company, as well as his extensive work experience in the field of international business.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
7	Kazuko Shiraishi (August 18, 1951) <u>Reappointment</u> <u>External Director</u> <u>Independent Director</u>	April 1974 Joined Ministry of Foreign Affairs of Japan February 2001 Consul General, Consulate-General of Japan in Atlanta June 2003 General Manager, International Economic Treaty Office, Treaty Bureau, Ministry of Foreign Affairs September 2004 Policy Coordinator, Foreign Policy Bureau, Ministry of Foreign Affairs October 2005 General Manager, WTO Dispute Settlement Division, Economic Affairs Bureau, Ministry of Foreign Affairs April 2007 Councilor, Embassy of Japan in Poland January 2012 Ambassador Extraordinary and Plenipotentiary to Lithuania June 2015 Ambassador (for Women, Human Rights and Humanitarian Affairs and in charge of Arctic Affairs) June 2016 Ambassador (in charge of Arctic Affairs), Ministry of Foreign Affairs October 2016 Conciliation Commissioner, Tokyo Family Court (current position) June 2017 Term of office of Ambassador, Ministry of Foreign Affairs expired December 2017 Special Envoy for EXPO 2025 OSAKA, KANSAI, JAPAN June 2018 External Director (Audit and Supervisory Committee Member), SCSK Corporation (current position) March 2019 External Director of the Company (current position) Significant concurrent positions External Director (Audit and Supervisory Committee Member), SCSK Corporation Reasons for selection as an External Director candidate and expected roles Ms. Kazuko Shiraishi has been supervising and providing advice on the overall management of the Company from an objective standpoint, based on her extensive knowledge and wealth of experience in international affairs she gained through her career at government and public offices. Although she has not been involved in the management of a company in any way other than serving as an external director in the past, the Company believes that she will continue to be able to appropriately perform her duties as an External Director, and she has been successively selected as a candidate for External Director. She satisfies the Criteria for the Independence of External Directors established by the Company.	0

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
8	Kazuhisa Nishigai (July 29, 1950) Reappointment External Director Independent Director	<p>April 1975 Joined Bridgestone Tire Co., Ltd (currently Bridgestone Corporation)</p> <p>April 2004 Director, Process Engineering Development Division, Bridgestone Corporation</p> <p>January 2005 Vice President and Officer, Bridgestone Corporation</p> <p>October 2007 Vice President and Senior Officer, Bridgestone Corporation</p> <p>March 2008 Member of the Board, Vice President and Senior Officer, Bridgestone Corporation</p> <p>March 2010 Representative Board Member, Senior Vice President, Bridgestone Corporation</p> <p>March 2012 Representative Board Member and COO, Bridgestone Corporation</p> <p>March 2016 Member of the Board, COO and Representative Executive Officer, Bridgestone Corporation</p> <p>January 2019 Member of the Board, Bridgestone Corporation</p> <p>March 2019 External Advisor, Bridgestone Corporation (current position) (scheduled to retire on March 31, 2024)</p> <p>March 2020 External Director of the Company (current position)</p> <p>March 2023 Outside Director, Okabe Co., Ltd. (current position)</p> <p>Significant concurrent positions External Advisor, Bridgestone Corporation (scheduled to retire on March 31, 2024) Outside Director, Okabe Co., Ltd. Member of the Management Council, Yamagata University</p> <p>Reasons for selection as an External Director candidate and expected roles Mr. Kazuhisa Nishigai has been successively selected as a candidate for External Director, as he is judged to continue to be capable of advising the overall management of the Company, based on his extensive knowledge and management ability gained through his involvement in the management of a major listed manufacturing company, as well as wide range of business experience related to production engineering, plant management and sales, etc. He satisfies the Criteria for the Independence of External Directors established by the Company.</p>	0
9	Masato Kobayashi (April 5, 1960) Reappointment External Director Independent Director	<p>April 1986 Registered as an attorney (Dai-Ichi Tokyo Bar Association) Joined YUASA AND HARA</p> <p>January 1996 Partner, YUASA and HARA</p> <p>February 1997 Outside Statutory Auditor, Oracle Corporation Japan</p> <p>July 1997 Founded Hirakawa, Sato & Kobayashi (currently City-Yuwa Partners), Partner</p> <p>February 2003 Partner, City-Yuwa Partners (current position)</p> <p>January 2020 Outside Statutory Auditor, Tsukishima Kikai Co., Ltd. (currently TSUKISHIMA HOLDINGS CO., LTD.)</p> <p>June 2020 Outside Director, eBook Initiative Japan Co., Ltd.</p> <p>December 2020 External Audit & Supervisory Board Member, Japan Platform of Industrial Transformation, Inc. (current position)</p> <p>March 2021 External Director of the Company (current position)</p> <p>Significant concurrent positions Partner, City-Yuwa Partners External Audit & Supervisory Board Member, Japan Platform of Industrial Transformation, Inc. Director, Misaki Engagement Master Fund Director, Misaki Engagement Fund II Ltd.</p> <p>Reasons for selection as an External Director candidate and expected roles Mr. Masato Kobayashi has been advising the overall management of the Company based on a wealth of experience and professional insight on overall legal affairs as an attorney. Although he has not been involved in the management of a company in any way other than serving as an external director or external auditor in the past, the Company believes that he will continue to be able to appropriately perform his duties as an External Director, and successively selected him as a candidate for External Director. He satisfies the Criteria for the Independence of External Directors established by the Company.</p>	0

(Notes) 1. For candidates who currently serve or had served during the past ten years as executives at MITSUI E&S Co., Ltd., Mitsui & Co., Ltd. or Mitsui O.S.K. Lines, Ltd., major shareholders of the Company, their positions and responsibilities at relevant companies are stated in the above “Career summary, positions and responsibilities at the Company,” and “Significant concurrent positions.”

Other candidates for Directors have no special interest in the Company.

2. The terms of office of the current External Directors as the Company's External Director will be five years for Ms. Kazuko Shiraishi, four years for Mr. Kazuhisa Nishigai, three years for Mr. Masato Kobayashi, two years for Koichi Wakana, one year for Mr. Koichi Watanabe, and nine months for Mr. Yasuchika Noma as of the conclusion of this General Meeting of Shareholders.
3. Liability limitation contract with the Directors (excluding those serving as Executive Directors, etc.)
The Company has entered into contracts with Messrs. Koichi Watanabe, Koichi Wakana, and Yasuchika Noma, Ms. Kazuko Shiraishi, and Messrs. Kazuhisa Nishigai, and Masato Kobayashi to limit their liabilities for compensation of damages prescribed in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under the contracts shall be the minimum amount prescribed in Article 425, Paragraph 1 of the said Act. If this Proposal is approved, the Company intends to renew the liability limitation contracts with them.
4. The Company has entered into an officers' liability insurance contract to indemnify all of the Company's Directors, the insured under the contract, for any damages they may incur as a result of being held liable for the execution of their duties, or receiving a claim associated with the pursuit of such liability. If they assume the office of Director, they will be insured under the contract, which will be renewed during their terms of office.
5. The numbers of shares of the Company held by the candidates are as of December 31, 2023.

Proposal 4: Election of Four Directors who are Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed and takes effect.

Accordingly, the election of four Directors who are Audit and Supervisory Committee Members is proposed. This proposal has been approved by the Audit & Supervisory Board.

The resolution of this proposal shall become effective on the condition that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates are as stated below.

No.	Name		Current positions at the Company	Years of service as Audit & Supervisory Board Member	Attendance of the Board of Directors meetings in FY2023	Attendance of the Audit & Supervisory Board meetings in FY2023
1	Yoshihiro Takamura	<input type="text" value="New appointment"/>	Full-time Audit & Supervisory Board Member	2 years	19 / 19 (100%)	14 / 14 (100%)
2	Hiroko Noda	<input type="text" value="New appointment"/> <input type="text" value="External Director"/> <input type="text" value="Independent Director"/>	External Director Nominating and Remuneration Committee Member	—	19 / 19 (100%)	—
3	Toshihiko Fujita	<input type="text" value="New appointment"/> <input type="text" value="External Director"/> <input type="text" value="Independent Director"/>	External Audit & Supervisory Board Member	3 years	19 / 19 (100%)	14 / 14 (100%)
4	Masaaki Amma	<input type="text" value="New appointment"/> <input type="text" value="External Director"/> <input type="text" value="Independent Director"/>	External Audit & Supervisory Board Member	3 years	19 / 19 (100%)	14 / 14 (100%)

* The current positions at the Company are as of the date of dispatch of this Notice of Convocation of the Annual General Meeting of Shareholders.

* Years of service as Audit & Supervisory Board Member are as the conclusion of this General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
1	Yoshihiro Takamura (September 30, 1961) <u>New appointment</u>	<p>April 1984 Joined the Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation).</p> <p>December 2002 General Manager of Audit Department Group, Sumitomo Mitsui Financial Group, Inc.</p> <p>March 2008 Seconded to Manufacturers Bank, Executive Vice President (Responsible for Corporate Planning and Human Resources), General Manager of Corporate Planning Department of the Bank</p> <p>June 2013 Joined the Company, Deputy Manager of Finance Department</p> <p>October 2013 General Manager of Finance Department of the Company</p> <p>April 2020 Deputy Director, General Manager of Finance Department of the Company</p> <p>May 2020 Deputy Director, General Manager of Internal Audit Department of the Company</p> <p>April 2021 Deputy Director, General Manager of Internal Audit Department, and General Manager of Board of Statutory Auditors' Office of the Company</p> <p>March 2022 Full-time Audit & Supervisory Board Member of the Company (current position)</p> <p>Reasons for selection as a candidate for Director who is Audit and Supervisory Committee Member and expected roles Mr. Yoshihiro Takamura has abundant experience at financial institutions and excellent insight based on his many years of service in the Company's finance and internal audit divisions, and is well versed in the Company's business activities. He has been newly selected as a candidate for Director who is an Audit and Supervisory Committee Member, as he is judged to be capable of performing appropriate audit, based on his considerable level of expertise gained through his achievements and experience as a full-time Audit & Supervisory Board Member of the Company.</p>	1,022

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
2	<p>Hiroko Noda (July 3, 1960)</p> <p><u>New appointment</u></p> <p><u>External Director</u></p> <p><u>Independent Director</u></p>	<p>April 1987 Joined Minato Audit Corporation (currently KPMG AZSA LLC)</p> <p>August 1987 Joined Prudential Securities Incorporated</p> <p>March 1990 Registered as Certified Public Accountant Representative, Noda Certified Public Accountant Office (current position)</p> <p>August 1992 Joined Banque Indosuez S.A. (currently Crédit Agricole Corporate and Investment Bank and Crédit Agricole Securities Asia BV)</p> <p>June 2000 Joined Canadian Bank of Commerce (Tokyo Branch, Canadian Bank of Commerce, subsequently, joined Tokyo Branch, CIBC Securities Inc.)</p> <p>July 2006 Joined BUSICOM Co., Ltd.</p> <p>September 2007 Representative Director, Prominent Consulting Co., Ltd.</p> <p>May 2010 Founded Probity Consulting Co., Ltd. Representative Director, Probity Consulting Co., Ltd. (current position)</p> <p>April 2014 Part-time Lecturer, Graduate School of Asian and International Business Strategy, Asia University (current position)</p> <p>March 2019 External Director (Audit & Supervisory Committee Member), Okabe Co., Ltd. (current position)</p> <p>March 2019 External Director of the Company (current position)</p> <p>June 2021 Outside Director (Audit & Supervisory Committee Member), S.T. CORPORATION (current position)</p> <p>June 2022 Outside Director, CHORI CO., LTD. (current position)</p> <p>December 2023 Outside Audit & Supervisory Board Member, Frontier Management Inc. (current position) (scheduled to retire on March 27, 2024)</p> <p>Significant concurrent positions Representative Director, Probity Consulting Co., Ltd. Representative, Noda Certified Public Accountant Office External Director (Audit & Supervisory Committee Member), Okabe Co., Ltd. Outside Director (Audit & Supervisory Committee Member), S.T. CORPORATION Outside Director, CHORI CO., LTD. Outside Audit & Supervisory Board Member, Frontier Management Inc. (scheduled to retire on March 27, 2024)</p> <p>Reasons for selection as a candidate for Director who is Audit and Supervisory Committee Member and expected roles Ms. Hiroko Noda has been newly selected as a candidate for Director who is an Audit and Supervisory Committee Member, as she is judged to be capable of performing appropriate audit, based on her abundant experience and broad knowledge acquired at accounting departments of foreign financial institutions and as a certified public accountant and management consultant. She satisfies the Criteria for the Independence of External Directors established by the Company.</p>	0

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
3	Toshihiko Fujita (June 18, 1958) <u>New appointment</u> <u>External Director</u> <u>Independent Director</u>	<p>April 1981 Joined the Ministry of Finance</p> <p>July 2003 Director for Defense Budget, Budget Bureau, the Ministry of Finance</p> <p>February 2004 Counselor to Director General for Economic and Fiscal Management, Cabinet Office</p> <p>July 2005 Assistant Regional Commissioner (Management and Co-ordination), Tokyo Regional Taxation Bureau</p> <p>July 2006 Director, Personnel Division, National Tax Agency</p> <p>July 2007 Director, Co-ordination Division, National Tax Agency</p> <p>July 2009 Regional Commissioner, Fukuoka Regional Taxation Bureau</p> <p>July 2010 Deputy Commissioner (Large Enterprise Examination and Criminal Investigation), National Tax Agency</p> <p>August 2012 Deputy Commissioner (Taxation), National Tax Agency</p> <p>June 2013 First Deputy Commissioner, National Tax Agency</p> <p>July 2014 Regional Commissioner, Tokyo Regional Taxation Bureau</p> <p>February 2016 Auditor, the Bank of Japan</p> <p>February 2020 Director, Hongo Tsuji Tax & Consulting (current position)</p> <p>March 2021 External Audit & Supervisory Board Member of the Company (current position)</p> <p>October 2023 Registered as a Tax Accountant</p> <p>Significant concurrent positions Director, Hongo Tsuji Tax & Consulting</p> <p>Reasons for selection as a candidate for Director who is Audit and Supervisory Committee Member and expected roles Mr. Toshihiko Fujita has professional insight and a wealth of experience in taxation business, economy, and finance he gained through his career at the Ministry of Finance, the National Tax Agency, the Bank of Japan, etc. He has been newly selected as a candidate for Director who is an Audit and Supervisory Committee Member as he is judged to be capable of performing appropriate audit, based on his achievements and experience as an External Audit & Supervisory Board Member as well as expertise as a tax accountant. He satisfies the Criteria for the Independence of External Directors established by the Company.</p>	0

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
4	Masaaki Amma (January 6, 1960) New appointment External Director Independent Director	<p>April 1982 Joined Export-Import Bank of Japan (currently Japan Bank for International Cooperation)</p> <p>August 2006 Deputy Director, Research Institute for Development and Finance, Export-Import Bank of Japan</p> <p>October 2008 General Manager, International Sales Department, Western Japan, (Osaka), Export-Import Bank of Japan</p> <p>May 2010 General Manager, International Business Strategy Department, Export-Import Bank of Japan</p> <p>May 2012 General Manager, Corporate Planning Department, Japan Bank for International Cooperation</p> <p>December 2013 Executive Officer, General Manager, Planning and Management Department, Japan Bank for International Cooperation</p> <p>June 2015 Director, General Manager, Planning and Management Department, Japan Bank for International Cooperation</p> <p>June 2016 Director, Japan Bank for International Cooperation</p> <p>July 2017 Advisor, Daiwa Securities Co. Ltd.</p> <p>March 2021 Executive Officer, PricewaterhouseCoopers Sustainability LLC</p> <p>March 2021 External Audit & Supervisory Board Member of the Company (current position)</p> <p>July 2022 Senior Executive Officer, PricewaterhouseCoopers Sustainability LLC (current position)</p> <p>Significant concurrent positions Senior Executive Officer, PricewaterhouseCoopers Sustainability LLC</p> <p>Reasons for selection as a candidate for Director who is Audit and Supervisory Committee Member and expected roles Mr. Masaaki Amma has professional insight and a wealth of experience in domestic and overseas finance gained through his longtime involvement in banking business. He has been newly selected as a candidate for Director who is an Audit and Supervisory Committee Member as he is judged to be capable of performing appropriate audit, based on his considerable level of expertise gained through his achievements and experience as External Audit & Supervisory Board Member. He satisfies the Criteria for the Independence of External Directors established by the Company.</p>	0

- (Notes)
1. The above candidates for Directors have no special interest in the Company.
 2. The term of office of the current External Directors as the Company's External Director will be five years for Ms. Hiroko Noda as of the conclusion of this General Meeting of Shareholders.
 3. The candidates for External Directors are currently External Audit & Supervisory Board Members of the Company, and their terms of office as External Audit & Supervisory Board Member will be three years for Messrs. Toshihiko Fujita and Masaaki Amma as of the conclusion of this General Meeting of Shareholders.
 4. The Company has entered into a contract with each of the Audit & Supervisory Board Members and External Directors to limit their liability for compensation of damages prescribed in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under the contract shall be the minimum amount prescribed in Article 425, Paragraph 1 of the said Act. If this Proposal is approved, the Company intends to renew the liability limitation contract with them based on the amended Articles of Incorporation as per Proposal 2.
 5. The Company has entered into an officers' liability insurance contract to indemnify all of the Company's Audit & Supervisory Board Members and External Directors, the insured under the contract, for any damages they may incur as a result of being held liable for the execution of their duties, or receiving a claim associated with the pursuit of such liability. Each of the candidates for Director being presented in this proposal is currently Audit & Supervisory Board Member or External Director and already insured under the said insurance contract, and will continue to be insured as Director after the election. The Company intends to renew the insurance contract during their terms of office.

[Reasons for selecting each item in the skill matrix]

Item	Reasons for selection
Corporate management	In order to fulfill the role of monitoring management expected of the Board of Directors, it is necessary to have knowledge and experience in corporate management.
International experience	Since our business mainly serves overseas oil exploration and production companies, almost 100% of our sales are recorded overseas, and since we have a so-called global value chain, it is necessary to have international experience.
Legal and compliance	Since negotiations with customers and contractors are complex and diverse, it is necessary to have knowledge and experience in contract practices and laws and regulations of various countries from the perspective of risk management.
Finance, accounting, and taxation	In order to monitor the soundness of management by preparing accurate financial reports, as well as from the perspective of risk management, it is necessary to have knowledge and experience in finance, accounting, and taxation.
Internal control and governance	The establishment of an appropriate governance system is the foundation for sustainable growth, and it is necessary to have knowledge and experience in governance to exercise the supervisory function over globally operating subsidiaries.
Human resource management and development	In order to maximize capabilities, it is necessary to have knowledge and experience in human resource management and development, including the promotion of diversity.
ESG	In addition to the businesses involved in the oil and gas industry to date, it is necessary to have a perspective that can serve as a foundation for innovation and new business initiatives to ensure that we do not fail to keep up with the decarbonization trends in the future.

(Reference) Skill matrix [after the shareholders' meeting]

Name	Reappointment / New appointment	External / Independent	Knowledge and experience possessed by the officers						
			Corporate management	International experience	Legal and compliance	Finance, accounting, and taxation	Internal control and governance	Human resource management and development	ESG
Directors (excluding those who are Audit and Supervisory Committee Members)									
Takeshi Kanamori	Re-appointment		○	○	○		○		
Hirohiko Miyata	Re-appointment		○	○	○		○		○
Yasuhiro Takano	Re-appointment		○	○	○	○	○	○	
Koichi Watanabe	Re-appointment	External	○	○		○	○		
Koichi Wakana	Re-appointment	External	○	○			○		○
Yasuchika Noma	Re-appointment	External	○	○	○		○		○
Kazuko Shiraiishi	Re-appointment	External, Independent	○	○			○		○
Kazuhisa Nishigai	Re-appointment	External, Independent	○	○			○		
Masato Kobayashi	Re-appointment	External, Independent	○		○		○		
Directors who are Audit and Supervisory Committee Members									
Yoshihiro Takamura	New appointment		○	○		○	○		
Hiroko Noda	New appointment	External, Independent	○	○		○	○	○	
Toshihiko Fujita	New appointment	External, Independent			○	○	○	○	
Masaaki Amma	New appointment	External, Independent	○	○		○	○	○	○

Criteria of the Independence of External Directors

The Company deems External Directors or candidates for such positions to be independent if they are judged as not falling under any of the following items as the result of the investigation conducted by the Company to the extent reasonably possible.

- (1) Executors of operations of the Company and its subsidiaries or affiliates (hereinafter collectively “the Company Group”) or persons who have been executors of operations of the Company Group within the past 10 years.
- (2) Those who have been directors, corporate auditors or executors of operations of the Company’s current major shareholders or its consolidated subsidiaries within the past 10 years.
- (3) Parties in which the Company directly or indirectly control 10% or more of the total voting rights or executors of operations thereof.
- (4) Major business partners of the Company Group or their executors of operations.
- (5) Those who belong to the auditing firm that is the financial auditor of the Company or its consolidated subsidiaries.
- (6) Those who render professional services, such as consultants, attorneys, certified public accountants and the like and receive a large amount of money or other material benefits other than executive remuneration from the Company Group (including those who belong to corporations, partnerships and the like, including consulting firms, law firms and auditing firms, which receive a large amount of money or other material benefits from the Company Group).
- (7) Executors of operations of bodies including corporations and partnerships which, or persons who, receive a large amount of donations from the Company Group.
- (8) Executors of operations of a company that has appointed executors of operations of the Company Group as its own officers.
- (9) Those who have fallen under the definition of items (3) to (8) above within the last 3 years.
- (10) In cases where those who have fallen under the definition of items (1) to (8) above are important persons, their spouses or relatives within the second degree of kinship.
- (11) Any other person who is likely to have a conflict of interests with general shareholders and is subject to circumstances reasonably deemed to make him/her unable to fulfill his/her duties as an independent External Director.

Proposal 5: Revision of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The Company will transition to a company with an audit and supervisory committee, subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.”

In conjunction with the transition, the Company will revise its executive remuneration system mainly by introducing a new stock price-linked remuneration (performance cash) to replace stock-based remuneration and expanding performance-linked remuneration.

Accordingly, the Company requests approval for (I) through (V) below, in view of circumstances such as the recent economic environment.

- (I) To set the maximum amount of basic remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members, the same shall apply hereinafter in this proposal) at no more than ¥400 million per annum (including ¥100 million or less per annum for External Directors)
- (II) To set the maximum amount of bonuses at no more than ¥300 million per annum
- (III) To introduce a stock price-linked remuneration as a new remuneration program to replace the previously adopted stock-based remuneration
- (IV) To pay cash remuneration to eligible Directors upon their retirement, in line with the abolition of the previously adopted stock-based remuneration
- (V) To pay bonuses related to the fiscal year 2023

If this proposal is approved, the policy for determining remuneration, etc., for individual Directors will be revised as presented on pages 29 and 30. The Company has determined this proposal to be reasonable as it has been decided in accordance with the policy for determining remuneration, etc., for individual Directors after the said revision, and the Nominating and Remuneration Committee has examined this proposal and expressed its opinion that the content is necessary and reasonable.

Currently, the number of Directors is eleven (including eight External Directors and three executive Directors). If Proposal 3 is approved, the number of Directors will be nine (including six External Directors and three executive Directors).

This proposal shall become effective conditional upon the amendment of the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” taking effect.

<Comparison of the amount of remuneration, etc. for Directors and Board Benefit Trust before and after the revision>

	Before revision	After revision
Basic remuneration (amount for External Directors)	¥400 million or less per annum (¥65 million or less per annum)	¥400 million or less per annum (¥100 million or less per annum)
Bonus	Determined by the Annual General Meeting of Shareholders for each payment	¥300 million or less per annum
Board Benefit Trust	¥135 million in total for five years 21,000 points per fiscal year	To be abolished
Stock-price linked remuneration (performance cash)	—	50,000 points or less per annum ¥150 million or less per annum

[I. Revision of the maximum amount of basic remuneration]

In line with the transition to a company with an audit and supervisory committee, the Company proposes that basic remuneration be kept unchanged at ¥400 million or less per annum, of which the portion for External Directors be increased to ¥100 million or less per annum.

[II. Determination of the maximum amount of bonuses]

The amount of bonuses to be paid has been approved each time at the Annual General Meeting of Shareholders for the relevant fiscal year.

The Company hereby proposes that bonus for Directors (excluding non-executive Directors, hereinafter “eligible Directors”) be positioned as short-term performance-linked remuneration, which shall be paid separately from the amount in I. above to ensure appropriate and agile management of remuneration for Directors, with the maximum amount set at ¥300 million or less per annum.

[III. Introduction of stock price-linked remuneration (performance cash) for Directors (excluding non-executive Directors)]

The Company requests approval to introduce a new stock price-linked remuneration program (hereinafter

“Program”) for eligible Directors of the Company separately from I. and II. above, to replace the previously adopted share-based remuneration. It is aimed for achieving sustainable enhancement of corporate value of the Company over the medium to long term, providing eligible Directors with incentives for future performance, and further promoting the value-sharing with our shareholders. The details of the Program are as follows.

(a) Property to be paid

The amount of remuneration under the Program shall be paid in cash at the time of retirement from the office.

(b) Performance evaluation period

From January 1 of each fiscal year through December 31 of the same year

(c) Method for calculating the individual amount to be paid

Under the Program, stock points are granted each fiscal year in accordance with the rank and business performance. At the time of retirement from the office, the amount of remuneration will be calculated by multiplying the accumulated stock points (*1) by the stock price as of the time of retirement (*2).

Points to be granted in each fiscal year = Stock-points (i) [fixed portion] + Stock-points (ii) [performance-linked portion]. The maximum number of points for each fiscal year shall be 50,000 points (*1) for the total of (i) and (ii).

<Reference> The maximum monetary amount related to the points to be granted is expected to be ¥150 million.

<Stock points (i)>

To be assigned based on the rank.

<Stock points (ii)>

To be determined by multiplying the basic remuneration designated for each rank by the multiplier corresponding to the amount of consolidated profit achieved during the performance evaluation period, and dividing the result by the average stock price for the fiscal year (*3).

*1 If the number of issued shares of the Company increases or decreases due to a share consolidation, share split, allotment of shares without consideration, etc. (hereinafter “share split, etc.”), the number of points shall be reasonably adjusted to reflect the ratio of the share split, etc.

*2 The stock price as of the time of retirement shall be the simple average (rounded down to the nearest yen) of the daily closing prices of the Company’s common stock on the Tokyo Stock Exchange during the month preceding the month in which the eligible person retires from the office of Director.

*3 The average stock price for the fiscal year shall be the simple average (rounded down to the nearest yen) of the monthly closing prices of the Company’s common stock on the Tokyo Stock Exchange during the performance evaluation period.

(d) Reason for the non-payment

Remuneration under the Program shall not be paid if the eligible person either:

- engages in operations that competes with the business of the Company or its subsidiaries, or assumes the position of an officer or employee of a corporation or any other organization that competes with the Company (except with a prior written approval or consent from the Company); or
- violates laws and regulations, breaches the allotment agreement between the Company and eligible person, or violates internal rules or regulations of the Company or its subsidiaries applicable to the eligible person.

[IV. Payment of cash remuneration upon termination of stock-based remuneration]

In accordance with the abolishment of the existing stock-based remuneration, the allocation of points to eligible Directors for the stock-based remuneration will be terminated at the conclusion of this General Meeting of Shareholders. If the number of shares remaining in the Trust at the time the eligible Directors retire from the office falls short of the number of shares that corresponds to the number of points granted up to the said time (hereinafter “accumulated stock points”), the Company intends to make monetary payments in lieu of stocks at the time of the Directors’ retirement.

Accordingly, the Company requests approval to make monetary payments separately from I. through III. above at the time of retirement, with the maximum amount calculated using the following formula.

Amount of payment = Accumulated stock points (*4) x Stock price as of the time of retirement (*5)

*4 If the number of issued shares of the Company increases or decreases due to a share consolidation, share split, allotment of shares without consideration, etc. (hereinafter “share split, etc.”), the number of points shall be reasonably adjusted to reflect the ratio of the share split, etc.

*5 The stock price as of the time of retirement shall be the simple average (rounded down to the nearest yen) of the daily closing prices of the Company’s common stock on the Tokyo Stock Exchange during the month preceding the month in which the eligible person retires from the office of Director.

The sum of the accumulated stock points of the eligible Directors at the conclusion of this General Meeting

of Shareholders is 24,712 points. Therefore, the maximum amount of cash remuneration to be paid based on the above formula will be calculated by multiplying 24,712 points (*4) by the stock price as of the time of retirement (*5). For reference, the total amount will be approximately ¥57 million when multiplied the points by ¥2,318, the closing price of the Company's common stock on the Tokyo Stock Exchange on the last trading day of December 2023.

[V. Payment of bonuses to Directors]

In view of the Company's performance for this fiscal year, it is proposed that bonuses of up to ¥110 million in total be paid to three eligible Directors as of December 31, 2023. The amount of bonuses to Directors is calculated by considering the degree of achievement with respect to the target consolidated profit (profit attributable to owners of parent) and the profit level, as well as the actual dividend payment.

Please note that this bonus is paid only for the fiscal year 2023, separately from the amounts stated in I. through IV. above.

[Reference] The Policy for Determining Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members, the same shall apply hereinafter) after the conclusion of this General Meeting of Shareholders

The Policy for Determining Remuneration for Directors will be revised after the conclusion of this General Meeting of Shareholders. The outline of the revision is as follows.

(1) Basic policy on remuneration for officers, etc.

The Company's remuneration system for officers, etc. is determined in accordance with the following basic policy with the aim of maximizing the value to be provided to shareholders and other stakeholders.

- The system shall be designed to function as an appropriate incentive commensurate with overall corporate performance and individual achievements, so as to facilitate medium- to long-term enhancement of corporate value and the realization of the management plan of the Company.
- The system shall reflect the roles, responsibilities, and achievements of each officer, etc., thereby encouraging the performance of duties according to the responsibilities of the position.
- The remuneration shall be set at a competitive level to allow the Company to attract the excellent talent available in the market, while complying with regulations and guidelines on executive remuneration.
- The system shall be determined based on appropriate governance and control, and shall be reviewed on a timely basis in view of the business environment and other factors.

(2) Structure of the remuneration

(i) For Directors (excluding non-executive Directors)

• Composition of remuneration

Remuneration for Directors (excluding non-executive Directors) shall comprise basic remuneration, which is fixed remuneration, bonuses, which are short-term performance-linked remuneration, and stock price-linked remuneration (performance cash), which is medium- to long-term performance-linked remuneration.

• Basic remuneration

The basic remuneration shall be paid in cash as a fixed amount calculated based on the rank.

• Bonus

Bonus shall be paid as an incentive for achieving management targets. The amount of bonus shall be determined by multiplying the base amount for each rank by a coefficient, which is calculated from the amount of consolidated profit and cash flows for the applicable fiscal year, and by taking into account the actual dividends paid.

• Stock price-linked remuneration (performance cash)

As part of the review of its executive remuneration system, the Company will introduce stock price-linked remuneration (performance cash) for the eligible Directors of the Company, with the aim of achieving sustainable enhancement of corporate value of the Company over the medium to long term, providing them with incentives for future performance, and further promoting the value-sharing with our shareholders. Under the Program, stock points are granted each fiscal year in accordance with the rank and business performance. At the time of retirement from the office, the amount of remuneration will be calculated by multiplying the accumulated stock points by the stock price as of the time of retirement, which will be then paid in cash.

(ii) The policy for determining remuneration for External Directors (excluding those who are Audit and Supervisory Committee Members) is set forth below.

• Composition of remuneration

From the perspective of ensuring independence from business execution, the remuneration shall comprise only basic remuneration, without a performance-linked remuneration component.

- Basic remuneration

Basic remuneration shall be a fixed amount paid in cash.

(3) Process for determining the executive remuneration, etc.

The Board of Directors has deliberated and decided on the policy for determining executive remuneration based on the recommendations from the Nominating and Remuneration Committee.

(4) Delegation to the Representative Director

In accordance with the policy on determination, the Company has delegated to Representative Director, President and Chief Executive Officer, the decision on the specific details of the amount of remuneration for each officer, etc., based on a resolution of the Board of Directors. The Company has delegated this authority because it has judged that the Representative Director, President and Chief Executive Officer is best suited to evaluate the performance and achievements of each Director while taking into consideration the Company's overall business performance and other factors.

To ensure appropriate exercise of such authority by the Representative Director, President and Chief Executive Officer, the policy on determination stipulates that such decisions shall be made in accordance with the report of the Nominating and Remuneration Committee.

Proposal 6: Determination of the Maximum Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee, subject to the approval of Proposal 2 "Partial Amendments to the Articles of Incorporation." Accordingly, the Company requests approval to set the maximum amount of remuneration for Directors who are Audit and Supervisory Committee Members after the transition.

The upper limit of remuneration for Corporate Auditors was approved to be ¥70 million per year at the 30th Annual General Meeting of Shareholders held on March 24, 2016, and has remained unchanged to date. Following the transition to a company with an audit and supervisory committee, Directors who are Audit and Supervisory Committee Members will, in addition to conduct auditing activities, be required as Directors to vote on resolutions of the Board of Directors and supervise persons who execute business.

In view of significance of their responsibilities, as well as various circumstances such as the recent economic environment, the maximum amount of remuneration for Directors who are Audit and Supervisory Committee Members shall be set at no more than ¥100 million per year.

The number of Directors who are Audit and Supervisory Committee Members will be four if Proposal 4 is approved as proposed. The Company has determined this proposal to be reasonable, in light of the economic environment, the levels of remunerations at other companies, and the responsibilities of Directors who are Audit and Supervisory Committee Members.

This proposal shall become effective conditional upon the amendment of the Articles of Incorporation in Proposal 2 taking effect.

Overview and Results of Operations

During 2023 the Japanese economy remained on a recovery track, supported partly by the rebound of inbound tourism demand amid the continued normalization of economic and social activities. While the U.S. economy remained generally robust, the global economy on the whole slowed down due to stagnation in Europe and sluggish growth in China. These, coupled with geopolitical risks such as Russia's prolonged invasion of Ukraine and the Israel-Gaza conflict, made the outlook even more uncertain.

WTI oil prices briefly rose above US\$90 a barrel partly because Saudi Arabia extended its additional voluntary cutback of oil production; however, the market closed for the year 2023 at a level of US\$70 per barrel due partly to a slowdown in the Chinese economy. Given that maintaining a stable energy supply while concurrently embracing the trend toward decarbonization remains a critical issue, the oil companies have been proceeding with deep-sea oil field development projects. Demand has also remained strong for projects related to floating offshore oil and gas production facilities, which is the Group's main business, especially in ultra-deepwater large-scale projects where the Group has a competitive advantage.

Under these circumstances, for the consolidated operating results in 2023, orders amounted to US\$8,740,646 thousand (up 497.8% from the previous year) due to the new orders of two large-scale FPSO construction projects in Latin America. Revenue was US\$3,574,924 thousand (up 30.5% from the previous year) due to progress in the construction mainly in these projects, as well as the operations & maintenance services provided on a global basis.

In terms of profit, the progress of the aforementioned FPSO construction projects and a steady increase in the revenue of the charter business contributed to significant increases. Operating profit was US\$192,938 thousand (up 156.1% from the previous year), and profit attributable to owners of parent for the year was US\$96,536 thousand (up 158.3% from the previous year).

Financial Statements

Consolidated Statement of Financial Position (December 31, 2023)

(Thousands of US dollars)

Description	Amount	Description	Amount
Assets	3,877,921	Liabilities	2,852,630
Total current assets	2,035,550	Total current liabilities	2,244,101
Cash and cash equivalents	1,013,912	Trade and other payables	1,189,228
Trade and other receivables	592,163	Contract liabilities	590,278
Contract assets	185,585	Borrowings	57,799
Loans receivable	27,370	Income taxes payable	70,147
Other financial assets	57,806	Provisions	126,268
Other current assets	158,712	Other financial liabilities	150,826
		Other current liabilities	59,551
Total non-current assets	1,852,371	Total non-current liabilities	608,529
Property and equipment	50,042	Bonds and borrowings	512,954
Intangible assets	49,483	Defined benefit liability	45,091
Investments accounted for using equity method	1,374,188	Provisions	24,288
Loans receivable	348,636	Other financial liabilities	19,399
Other financial assets	13,163	Other non-current liabilities	6,794
Deferred tax assets	16,489		
Other non-current assets	367	Equity	1,035,291
		Common stock	190,495
		Capital surplus	187,112
		Retained earnings	522,260
		Treasury shares	(1,092)
		Other components of equity	94,042
		Equity attributable to owners of parent	992,817
		Non-controlling interests	42,473
Total assets	3,887,921	Total liabilities and equity	3,887,921

(Note) The figures are rounded down to the nearest thousand US dollars.

Consolidated Statement of Income

(For the year ended December 31, 2023)

(Thousands of US dollars)

Description	Amount
Revenue	3,574,924
Cost of sales	(3,324,543)
Gross profit	250,380
Selling, general and administrative expenses	(188,538)
Equity in earnings of unconsolidated subsidiaries and affiliates	128,677
Other income	2,513
Other expenses	(94)
Operating profit	192,938
Finance income	90,834
Finance costs	(69,104)
Profit before tax	214,668
Income tax expense	(88,712)
Profit	125,955
Profit attributable to	
Owners of parent	96,536
Non-controlling interests	29,419
Profit	125,955
Earnings per share	
Basic earnings per share (US dollars)	1.55
Diluted earnings per share (US dollars)	1.55

Non-Consolidated Balance Sheet (December 31, 2023)

(Millions of Japanese yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	202,296	Current liabilities	247,372
Cash and time deposits	63,420	Accounts payable - trade	94,891
Accounts receivable - trade	63,040	Current portion of long-term loans payable	8,197
Contract assets	27,895	Lease obligations	18
Advance payments – trade	38,758	Accounts payable – other	1,649
Prepaid expenses	930	Accrued expenses	3,709
Short-term loans receivable	1,796	Income taxes payable	1,311
Accrued income	4,475	Contract liabilities	71,265
Other current assets	4,108	Deposits received	183
Less - allowance for bad debts	(2,128)	CMS deposits received	60,883
		Accrued employees' bonuses	214
		Accrued directors' bonuses	45
Non-current assets	100,781	Provision for loss on order received	4,952
Property and equipment	84	Other current liabilities	49
Buildings	36		
Tools, furniture and fixtures	5	Non-current liabilities	15,815
Leased assets	42	Long-term loans payable	13,562
		Lease obligations	28
Intangible assets	253	Provision for retirement benefits	830
Software	59	Other provisions	155
Other	193	Deferred tax liabilities	1,237
		Total liabilities	263,187
Investments and other assets	100,444	(Net assets)	
Investment in subsidiaries and affiliates	89,540	Shareholders' equity	39,890
Long-term loans receivable from unconsolidated subsidiaries and affiliated companies	19,584	Common stock	18,166
Other investments	227	Capital surplus	18,573
Less - allowance for bad debts	(8,908)	Legal capital surplus	18,573
		Retained earnings	3,269
		Legal retained earnings	68
		Other retained earnings	3,201
		Retained earnings brought forward	3,201
		Less - treasury stock at cost	(119)
		Total net assets	39,890
Total assets	303,078	Total liabilities and net assets	303,078

Non-Consolidated Statement of Income
(For the year ended December 31, 2023)

(Millions of Japanese yen)

Description	Amount	
Sales		406,179
Cost of sales		389,184
Gross profit		16,995
Selling general and administrative expenses		10,989
Operating profit		6,005
Non-operating income		
Guarantee commission received	215	
Interest and dividend income	5,029	
Reversal of allowance for bad debts	3,488	
Other	79	8,813
Non-operating expenses		
Interest expense	4,489	
Foreign exchange losses	2,337	
Commission expenses	948	
Other	485	8,261
Ordinary profit		6,557
Extraordinary income		
Gain on transfer of bonds	3,348	3,348
Extraordinary losses		
Impairment losses	1,313	
Loss on liquidation of subsidiaries and affiliates	180	
Loss on valuation of shares of subsidiaries and associates	3,618	5,112
Profit before income taxes		4,793
Income taxes - current		1,278
Income taxes - deferred		245
Profit		3,269